



# COMMITTEE ON APPROPRIATIONS

**David Price (D-NC), Chairman, Subcommittee on Homeland Security**

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EMBARGOED UNTIL DELIVERY (*Approx. 10:10 AM*)  
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## **OPENING STATEMENT OF CHAIRMAN DAVID PRICE *FY 2011 U.S. Coast Guard Budget March 17, 2010 / 10:00 am***

We are pleased to welcome Admiral Thad Allen, Commandant of the United States Coast Guard before this Subcommittee for his final hearing on the Coast Guard's budget. As most of you know, the Commandant's term comes to a conclusion this May, after four dedicated and distinguished years of service.

Admiral Allen, as the 23rd Commandant of the Coast Guard, you have led the Coast Guard through a transitional period. During your tenure, you have implemented major reforms to the Coast Guard's organizational structure. You've fought for additional personnel, for assets to close resource gaps, and for management reforms to help make the Coast Guard more transparent and accountable on several fronts. We observed with appreciation the critical, life-saving role that the men and women under your command played following the recent earthquake in Haiti. We also recognize the Coast Guard's more traditional contributions – such as its search and rescue efforts, and its ongoing work of keeping our ports secure, our mariners safe, and smugglers of illegal immigrants and drugs at bay. We thank you for managing these critical efforts on behalf of the American people.

Even so, today you will have to answer some tough questions from this Subcommittee about the Coast Guard's budget, about critical planning documents that are due, and about a leaked internal memo from your designated successor regarding the budget process. These are questions that must be answered if we are to make fully-informed judgments on the Coast Guard's budget going forward.

The work of budgeting and appropriating taxpayer resources is a regular exercise in setting priorities and making often-difficult tradeoffs among competing priorities, especially in a year in which the President is laudably seeking fiscal sustainability. Nowhere is the difficulty of making those tradeoffs more apparent than in your budget.

Your fiscal year 2011 budget proposes significant reductions in manpower, and it calls for accelerating the decommissioning of older ships and planes while slowing the acquisition of new ones to replace them. It does this without an adequate capital investment plan or a legislatively mandated comprehensive review of the Deepwater recapitalization effort. This is information we need to give us confidence in the Administration's choices for the Coast Guard in 2011 and beyond.

You are clearly aware of the problem this presents, since you alluded to it in your annual State of the Coast Guard address, saying: “our acquisition baselines lack credibility when they are not supported by a five year capital investment plan provided to Congress in a timely manner, or overtaken and rendered ineffective by annual adjustments that change basic business plans.”

The blame for this does not fall entirely on your shoulders – but as Commandant, it falls to you to answer these questions today:

- Are the Coast Guard, the Department, and the Administration in agreement on a coherent plan for recapitalizing and funding the Coast Guard?
- Why have the Coast Guard and DHS failed to include a revised Deepwater baseline in the budget request for the coming fiscal year – which has been mandated annually in law since fiscal year 2006?
- Was Admiral Papp’s assertion accurate that the Coast Guard was “forced to make asset reduction decisions without full appreciation of the impact of those reductions to operational performance” in the fiscal year 2011 budget?
- Taken as a whole, what does this budget proposal mean for the future of Coast Guard recapitalization and reform?

Drawing on this Subcommittee’s recent hearing on major acquisition projects in which we examined the past and present of Deepwater, I’m also interested in your explanation of the Coast Guard’s strategy to ensure good money will never again go after bad, that the Coast Guard is in the driver’s seat when it comes to acquisition decisions, and that we have the requisite number of professional civil servants to manage major government contracts.

Admiral Allen, we hold the men and women of the Coast Guard in the highest regard on this Subcommittee and see great value in the work they do day-in and day-out. That is why we have asked you to come before us today – to provide answers to these tough questions, to critically compare the 2011 budget to the Coast Guard’s mission needs, and to give us your unvarnished views on how the Department and the Coast Guard can best make progress against the budgetary headwinds that are likely to continue for some time to come.

As is the Subcommittee’s custom, your full written statement will be entered into the record. I ask you to limit your oral remarks to a five-minute presentation. Before we begin, let me recognize the distinguished Ranking Member, Hal Rogers, for any comments he may wish to make.

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